

PREPARED BY: Howard Kensinger  
DATE PREPARED: March 01, 2003  
PHONE: 471-0051

**LB 691**

Revision: 00

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

### ESTIMATE OF FISCAL IMPACT – STATE AGENCIES \*

	FY 2003-04		FY 2004-05	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(176,000)		(176,000)
CASH FUNDS	65,000-325,000	176,000	65,000-325,000	176,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	65,000-325,000	0	65,000-325,000	0

\*Does not include impact on political subdivisions. See narrative for political subdivision estimates.

LB 691 provides for law enforcement, state- tribal agreements, and sales tax distributions. The bill creates the Liquor Control Law Enforcement Fund. This fund shall be administered by the Nebraska State Patrol to provide full-time law enforcement in unincorporated villages which do not have full-time law enforcement and which are located within five miles of the boundary of an Indian reservation which is located in an adjoining state and no more than one square mile of which extends into Nebraska with which the tribal government had banned the sale and consumption of alcoholic liquor,

Fund revenue shall consist of proceeds from the sales and use taxes derived from the sale of alcoholic liquor in the unincorporated village. Currently, this revenue is deposited into the General Fund. For projection purposes, this fiscal note assumes the bill is referring to Whiteclay. The Liquor Control Commission lists four establishments in the area that have licenses to sell liquor. The Commission advises because of the small number of sellers confidentiality statutes forbid the Department from supplying the taxable sales of only liquor establishments. The sales tax revenue from all 17 businesses with a Whiteclay mailing address is approximately \$176,000. However, this is a maximum amount of revenue from all businesses not just those with liquor licenses. If this figure is to be used the bill will need amending.

The bill requires the Nebraska State Patrol provide full time law enforcement. It is unclear whether full time refers to law enforcement on duty forty hours a week or law enforcement twenty-four hours a day. The fiscal note submitted by the Nebraska State Patrol interprets the bill to mean 24 hours a day. Staffing ratios dictate 24-hour day law enforcement seven days week requires the equivalent of five state troopers (basically the formula is 365 days times 24 hours divided by the number of hours a trooper is on duty). Total estimated cost of five troopers for salary and benefits, operating costs, and capital outlay for vehicles is \$325,000. If the bills full time requirement is one state trooper for a 40 hour a week assignment the cost drops to \$65,000. The estimate from all sales tax revenue from all sources will cover the expense of one or two troopers assigned to a 40 hour a week post but will not cover the cost of 24- hour coverage without additional general funds.

#### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn E. Heaton	DATE	3/5/03	PHONE	471-2526
COMMENTS					
NEBRASKA LIQUOR CONTROL COMMISSION: Concur. No fiscal impact to the Liquor Control Commission.					